

5.

APPENDICES

5.2.14 Overview of Significant Changes – Applicable to the Reporting Year 2014

Topic	Reference	Description of Changes
		CHART OF ACCOUNTS
Revenue/Expenditure/Expense Account		<p>This Excel book contains three spreadsheets. The spreadsheets are different versions of the same BARS chart:</p> <p>Above&Prescribed contains all prescribed accounts (including grants) and summary accounts which are above prescribed level and indicate categories of revenues and expenditures;</p> <p>Prescribed_Only contains all prescribed accounts (including grants) but excludes summary accounts;</p> <p>Prescribed_NoFederal_Grants contains only prescribed accounts and exclude federal grants.</p> <p>These spreadsheets are just examples of different versions serving different purposes. You may reformat the chart of accounts similarly to meet your needs; however when reporting only valid prescribed accounts applicable to your entity type should be included on Schedule 01.</p>
Account Structure	1.1.2.30	<p>The <i>Local Option</i> field was removed from prescribed BARS code structure. The local governments can add additional digits for their internal purposes in any part of their BARS code; however when reporting to the SAO they have to follow the seven digit code requirement. The entire section was adjusted to reflect this update. The change does not have any impact on BARS coding since the removed fields were never prescribed.</p>
Revenue/Expenditure/Expense Account		<p>In previous versions we indicated unprescribed digit with an X. In the current chart of accounts the X was replaced with 0 which, except for two instances where is specifically designated (general fund number and object code for fund balances, nonexpenditures, and transfers-out) indicates unprescribed digit.</p>
Revenue/Expenditure/Expense Account		<p>Coding federal (direct - 331/indirect - 333), ARRA (direct - 3391/indirect - 3392), capital (direct – 374/indirect – 375) grants was simplified. The local governments have to use only first two digits of the CFDA for BARS coding. The BARS code still has to be seven digits long; however the last two digits are not prescribed.</p>
Revenue/Expenditure/Expense Account	3360104	<p>New account 3360104, <i>Court Cost Reimbursement – Children’s Attorney</i> was added.</p>
Revenue/Expenditure/Expense Account	3695000	<p>Added a new account for <i>special items</i>.</p>
Revenue/Expenditure/Expense Account	562	<p>The description of the account 562, <i>Public Health Services</i> contains the link to the DOH listing of elements/subelements for this BARS code. The supplement is no longer listed with BARS manuals.</p>
Object Codes		<p>The object codes are not listed together with revenues and expenditures. They are now listed in a separate section.</p>

		BUDGETING
		The entire budgeting part of manual was replaced with new one. There are NO changes in requirements. The revision included removal of outdated or unnecessary prescriptions and adding statutory requirements for special purpose districts.
		ACCOUNTING
Money Held in Trust	3.2.4	Updated the discussion of interest on deposits. Clarified the accounting requirements for Superior Court trust funds, emphasizing the need to reconcile accounts monthly.
Compensating Balances	3.2.5	Clarified the discussion of compensating balances and added informational links to MRSC and GFOA.
Depreciation	3.3.6.15	The new paragraphs describe when the entity should start depreciating an asset.
Financial Guarantees	3.4.12	Added new section discussing financial guarantees (GASBS 70).
Imprest, Petty Cash and Change Funds	3.8.8.30	Imprest, petty cash and change funds are not budgeted because they represent working capital for expenditures that are properly budgeted in other funds. The authorized balance of imprest, petty cash and change funds should be reported as cash in the general ledger. Expenditures should be recorded when such funds are replenished to their authorized balance. The authorized balance should be reported as cash in the financial statements. All funds should be reconciled and replenished to the authorized balance as of fiscal year end to ensure expenditures are recorded.
Reimbursements	3.9.4.20	Added reminder that the offsetting transactions for reimbursements should be done on an object level.
Overhead Cost Allocation	3.9.5.120	Added new section with additional resources.
Transportation Benefit Districts (TBD)	3.11.1	The new section provides an overview of the transportation benefit districts and the accounting and reporting requirements.
		REPORTING
BARS Reporting Requirements	4.1.2.35	Added requirement to report any corrections made to already submitted financial statements.
GAAP versus Cash Reporting	4.1.7	The section discusses advantages and disadvantages of GAAP or cash basis reporting. This information was previously available on the SAO web site and now is incorporated into BARS manual.
Note 1-Summary of Significant Accounting Policies (also Hospital Districts , Housing Authorities , Risk Pools , and Water, Sewer, and Irrigation Districts)		Added reminder for the disclosure of component units to provide sufficient detail to clarify the specific criteria under the GASBS 61 used to justify the inclusion of each individual component unit including both fiscal dependence and the ongoing relationship of financial benefit or burden. For blended component units, clearly state the blending criteria under the GASB Statement 61.
Note X-Changes in Long-Term Liabilities		Updated first column; removed references to <i>unamortized amounts</i> ; added lines for <i>premiums</i> and <i>discounts</i> ; added <i>pension</i> to <i>OPEB obligations</i> ; similar changes were made for business-type activities; also, a row for claims was added. The footnote with examples of claims was added.
Note X-Commitments		This note was incorporated into Note X-Construction and Other Significant Commitments .
Note X-Construction and Other Significant Commitments		The note was expanded to include other commitments; the title was adjusted to reflect new content. The note was added to the housing authorities, hospital and water, sewer and

		irrigation districts reporting requirements.
Note X-Pension Plan (Hospitals)		Added link to information in GAAP manual for defined benefit plans.
Note X-Major Component Units		This is not a new requirement; however the note was listed only in the housing authority section of the manual. The note is now available for all GAAP governments.
Note X-Other Debits (Credits)		Removed the note (GASBS 65, paragraph 29).
Note X-Other Disclosures		The most common disclosures were made into separate notes and only very rare transactions are disclosed here. The note has a new title Unique and Unusual Transactions .
Statement of Net Position	Example	Removed line <i>Other Credits</i> .
Revenue/Expenditure/Expense (Schedule 01)	4.8.1.50	In Column 2 added that the government reports only one fund, it should indicate the fund type and use 0XX for the governmental fund and 4XX for the proprietary fund type.
Expenditure of Federal Awards and State Financial Assistance (Schedule 16)	4.8.5	<p>The Schedule of State Assistance was excluded from the Schedule 16 and it became a separate Schedule 15. There are no changes in the reporting requirements for this Schedule. Adjustments related to split of the previous Schedule 16 into two schedules were carried through the Manual.</p> <p>The federal expenditures should be still reported on the Schedule of Expenditures of Federal Awards (Schedule 16). In addition to the requirement to submit a data collection form and reporting package to the Federal Audit Clearinghouse, governments are required to submit a copy of the reporting package to each pass-through entity per OMB Circular A-133 section .320 (e), which provides the results of the audit. As a courtesy, the SAO will distribute the reporting package to each pass-through agency listed on the SEFA if you will provide the following contact information:</p> <ul style="list-style-type: none"> • Contact name • Contact email address • Contact phone number
Risk Management (Schedule 21)	4.8.9	Added sample note disclosures for housing authorities (HARRP).
		APPENDICES
Glossary of Accounting Terms		Removed the outdated glossary of accounting terms.
Overview of Significant Changes		The listing of changes focuses only on significant ones; revisions which do not have a substantive impact on accounting or reporting are not listed.